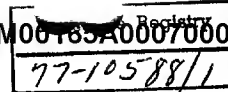


The Director  
Central Intelligence Agency



OLC 77-5518

Washington, D.C. 20505

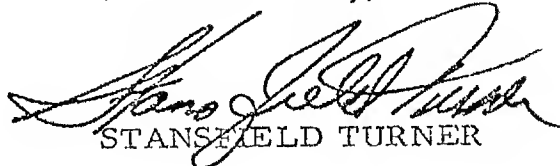
14 December 1977

Chairman  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

I am forwarding for your information, a copy of a statement which I have prepared on the subject of personnel reductions in the Operations Directorate of the Central Intelligence Agency. I have discussed this subject with the two Select Committees on Intelligence and will be happy to discuss the matter personally with you and with your Intelligence Operations Subcommittee at your convenience.

Yours sincerely,



STANFIELD TURNER

Enclosure

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Statement by Admiral Stansfield Turner,  
Director of Central Intelligence,  
Concerning Personnel Reductions in the  
Directorate of Operations, CIA

I. Why were the cuts necessary?

Soon after my arrival in the Agency last March I began to hear that the Directorate of Operations was overstaffed. It was almost universally perceived within the Agency that the DDO had excess people, resulting in over management and under utilization of talent. Some organizations could tolerate this, but not an organization like the CIA where we are fortunate to have high-quality, dedicated and ambitious people. Nor, from a broader standpoint, is it tolerable to have unnecessary people on the taxpayers' payroll.

At that time the Directorate of Operations was already engaged in a three-phase restructuring and paring down program. I encouraged and received a report on their efforts in mid-July.

II. Determination of the size of the reduction.

The report I received presented a range of opinion as to the extent of the cut that was necessary. I elected to be conservative and take the smallest number of positions for elimination that was suggested--☐ This does not mean that either the incumbents of those positions must be released or that ☐ people are going to be declared excess to this Directorate. Normal attrition should greatly reduce the number whose services will no longer be needed in the Directorate of Operations. We also must make provision for the continuing hiring of new and young personnel, to ensure the continuing viability of the service and we also must ensure that there exists a reasonable promotion opportunity at all levels for those on duty. To accomplish these latter points I have told the Directorate of Operations to hire ☐ people each year for FY 78 and FY 79. Because of normal attrition many people will be voluntarily leaving the Operations Directorate and we estimate that over the two-year exercise approximately ☐ individuals will actually be involuntarily separated from the Agency. It should also be noted that nearly 70 percent of the ☐ people declared excess so far are eligible for an immediate retirement annuity.

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I feel very strongly that, despite the additional pain it causes us, we cannot afford to neglect either the promotion opportunity for those already in the organization or the necessity of bringing in people in approximately equal annual increments at the bottom. We simply must continue to build a sufficiently attractive career opportunity to attract and retain the same caliber of people in 1987 as we had in 1977. Parenthetically, I might say that "at the bottom" is intended to mean just that. I see little prospect for more than a handful of specialists coming in at middle or upper levels.

### III. Timing of the reduction.

Of the alternatives presented to me for phasing the reduction, I opted for the quickest, which was accomplishable over a two-year period. Given the changes the last few years have brought to the CIA, I felt it would be better for morale not to prolong this action. Extending the reduction over a six-year period might have made it possible to achieve the reduction through attrition alone, but that would have left an air of uncertainty hanging over the entire organization for that long period and in the end might not have brought about the reductions in the right places. In addition, I do not believe I could honestly face your Committee in its budgetary role and suggest that the Agency should retain such a considerable number of people in excess of its needs for six years.

On August 8 I announced this intended reduction -- first privately to the employees and then publicly to the media. It was in turn well publicized in and outside the Agency. I further announced that we would notify those who were going to be asked to leave in Fiscal Year 1978 not later than the first of November 1977; that none of those persons would be asked to leave prior to the first of March 1978. Those being asked to leave in Fiscal Year 1979 would be notified by 1 June 1978 and not required to leave prior to 1 October 1978.

Between the time I notified CIA employees in August that there would be a reduction, and the first announcement to individuals on the first of November

as to who would be released, I received no complaints either as to the necessity for cuts or how they would be effected. Even since the announcement of who would be released, I have found no one in the Agency who seriously believes that a reduction is not in order.

IV. Who is to be released?

In deciding how to allocate the reduction across grades and skills, my end objective has always been to maintain at least as much clandestine intelligence capability as we possess today. We do not have a surplus of human intelligence collection capability, hence, there will be no meaningful reduction in overseas strength or activities, nor appreciable reduction in the size of the officer operational corps.

V. Method of selecting the individuals.

For those below the supergrade level, the individual's accumulated fitness reports were the basic determinants of who was to leave. The Agency's periodic evaluation boards numerically rank individuals within each grade level. These rankings combined with fitness reports were the basis for a point system. An explicit explanation of this point system was published for all personnel in the Operations Directorate in early October. Beyond this mechanical evaluation, a panel reviewed the calculations and used good judgment in making exceptions where unique skills needed to be retained. These were rare exceptions, however, and the rule of the numerical ranking was closely followed.

In June this year we initiated an annual process by which a senior panel composed of officers at the Executive position level rank all supergrades. The Director for Operations used these rankings as the basis for his recommendations on release of supergrades to me. Again, there were exceptions to the ranking order, but they were rare.

There are two additional points that I would like to make on these selections:

- As far as I can determine, there was no bias by type of service, agreement with current management, race or sex in the selection of these individuals. There were, for example, only ☐ women, ☐ blacks, and ☐ Hispanics in the total of ☐ forced reductions for Fiscal 1978.
- There is no question that we were forced to terminate some very capable people. The Directorate of Operations has been shrinking continually since our withdrawal from Vietnam. The majority of the marginal performers have already been eliminated. There is no way today to reduce further without asking very competent people to leave. This is unpleasant, unfortunate, but I believe necessary!

VI. Style of notification.

The method by which notifications were issued to individuals has been criticized. I regret that individuals may have been offended or felt that their prior service was not fully appreciated. Such is not the case. Everyone of these individuals has made sacrifices and many have endured privations and risks for their country. Being fully cognizant of their past contributions, we are determining whether any of these ☐ people can be relocated in other directorates within the Agency to fill existing vacancies. Consequently, while individuals have received a notification that their release has been recommended, we are still exploring alternative employment possibilities. Until those alternatives have been exhausted, no final determination on their employment will be made.

I anticipate that 25% of these ☐ people will be offered alternative positions. Additionally, I am personally approaching the chiefs of all the

other intelligence services of our country to ask that they give the residual of these ☐ special consideration in their hiring requirements.

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Finally, in a few cases, notices went to those who would be able to retire if permitted to serve a small amount of additional time. In these cases, we have arranged that no one will be forced to retire before the end of Fiscal Year 1979, when the program must be complete, if he would qualify for retirement by that time.

VII. Is there a security risk?

It has been suggested that the departure of sizable numbers of employees risks their being suborned by enemy intelligence agents. Frankly, I have too much confidence in their loyalty and dedication to take such a suggestion seriously. There was no such experience, to the best of my knowledge, under former Director James Schlesinger in 1973, when ☐ employees were separated. Our unfortunate experiences with former employees violating their secrecy agreement have come entirely from individuals who have left the Agency of their own volition.

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VIII. Next phase of the reduction.

The Fiscal 1979 cut will require approximately the same number of reductions, perhaps more if attrition does not meet expectations. We intend not to wait until the first of June and then send out all of the notifications at once but to commence notification as early as possible. None will be required to depart before the first of October 1978.

XI. Conclusions.

Many are concerned that this reduction may have hurt the morale of the Directorate of Operations. There is no question that in the short-term it has. The long-term objective, however, is quite the reverse; it is to rebuild morale by ensuring operational efficiency and full utilization of talent. More than that, morale in the Directorate of Operations will be further strengthened through the

sustained expression of support for its vital activities such as has come from this Committee and which also must come from a broader range of citizens. We must lift the pall of suspicion which hangs over the Intelligence Community in general and the Central Intelligence Agency in particular, which obscures the exceptional contribution these organizations have made in the past and are making today.

I would not have encouraged and approved this sizable reduction had I not thought that in the long run it would strengthen the Directorate of Operations and the Central Intelligence Agency. We need the capabilities of this Directorate as much today as ever. Although new technical means of collection permit us to extend our collection efforts, they only compliment, they do not supersede human collectors. Only human collectors can gain access to motives, to intentions, to thoughts, and plans. They will always be vital to our country's security.

It would have been much easier for me to have avoided this issue and attempted to continue over strength until you or the appropriations committees or the Office of Management and Budget uncovered these excesses and made the reductions in my behalf. Contrary to media reports, I was not directed to make these cuts either by the Vice President or David Aaron of the National Security Council staff as reported in some media. I have talked to neither on the subject except to keep the Vice President informed of my decisions. In sum, it is my opinion that I would have been avoiding my duty and would have been placing short-term considerations ahead of long-term necessities in putting the cuts off. We simply must build a foundation today for a Central Intelligence Agency that will be capable of continuing into the indefinite future the outstanding performance it has given our country during the past thirty years.